

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1976

IN THE MATTER OF:

Served March 27, 1979

Application of DAWSON'S CHARTER)
SERVICE, INC., for a Certificate)
to Perform Charter Operations)
Between Points in the Metropolitan)
District)

Case No. AP-78-52

Application of DAWSON'S CHARTER)
SERVICE, INC., for Authority to)
Increase Rates)

Case No. AP-79-3

By application filed November 29, 1978, in Case No. AP-78-52, Dawson's Charter Service, Inc. (Dawson's), sought a certificate of public convenience and necessity to transport passengers, together with mail, express and baggage in the same vehicle with passengers, in charter operations between points within the Metropolitan District (except between points solely within the Commonwealth of Virginia). Pursuant to Order Nos. 1930 and 1951, served December 1, 1978, and January 9, 1979, respectively, and incorporated by reference herein, a public hearing on this application was held on February 6, 1979.

On February 16, 1979, Dawson's filed Case No. AP-79-3 proposing increases in rates for its existing charter authority. The proposed new charter rates are the same rates proposed for the new charter authority sought in No. AP-78-52. By Order No. 1972, served March 16, 1979, the Commission suspended the proposed rate increase pending investigation of Dawson's financial status to be determined from testimony and evidence presented in Case No. AP-78-52.

Dawson's application in Case No. AP-78-52 initially was opposed by Atwood's Transport Lines, Inc. (Atwood's). Atwood's withdrew its opposition upon applicant's restrictive amendment limiting the application to transportation of passengers, together with mail, express, and baggage in the same vehicle with passengers, in charter operations from points in Montgomery and Prince George's Counties, Md., Washington, D. C., and Dulles International Airport, to points in the Metropolitan District and return.

Dawson's holds Certificate of Public Convenience and Necessity No. 9 issued by this Commission which authorizes specified regular-route operations between Gaithersburg, Md., and Washington, D. C., and round-trip charter operations from points in Montgomery County, Md., to points in Montgomery and Prince George's County, Md., and Washington, D. C., and return. Dawson's equipment list shows nine vehicles, each seating in excess of 40 passengers. It is also expecting delivery of a tenth bus in the near future. Testimony was offered regarding maintenance and safety policies, indicating that Dawson's equipment is kept in good condition. The company's certified public accountant testified that applicant is financially fit to conduct the proposed operations and would generate sufficient revenue from the proposed expansion of charter service to meet the increased expenses engendered thereby. Dawson's also expects to improve its overall operating ratio.

Dawson's president stated that the four vehicles used on its regular-route operation terminate in downtown Washington, D. C., between 8:00 and 9:00 in the morning, and are then deadheaded back to the company's headquarters at Sandy Spring, Md., a distance of approximately 29 miles. For the afternoon rush hour the process is reversed, with the four buses being deadheaded back to Washington, D. C., to provide service departing at intervals between 4:30 and 5:30. Utilization of these buses for charter trips originating in or near the District of Columbia would substantially decrease Dawson's deadhead mileage and improve the efficiency of applicant's operations. In addition, those buses not involved in commuter service are also said to be underutilized and would be available for the proposed charter operations.

In support of the application in No. AP-78-52, two witnesses representing local groups, a travel agent and a bus industry consultant, testified. The travel agent described problems she has experienced in securing bus service in the Metropolitan area when putting together a "full package tour." The limited amount of available equipment in the area sometimes results in shortages, especially during the peak tourist season. The agent stated that she has used Dawson's buses on trips originating in Montgomery County, Md., and has found the service to be satisfactory. She estimated that she has been otherwise limited to using Metrobus (Washington Metropolitan Area Transit Authority), Atwood's and The Gray Line, Inc., in the past.*/ If this application is approved, she expects to use Dawson's for between 75 and 100 trips a year averaging three buses per trip. She also stated that because of normal scheduling, availability of equipment between 9:00 a.m. and 4:00 p.m. would usually meet her needs.

Another witness, a local minister active as a chaplain for law enforcement groups and affiliated with numerous youth and clergy organiza-

*/ By Order No. 1912, served November 6, 1978, the Commission approved the sale of certain operating rights and assets of The Gray Line, Inc., to Atwood's. Atwood's now conducts all operations formerly provided by The Gray Line, Inc.

tions, testified that he has had trouble finding sufficient motor coach equipment when arranging trips for his own church groups and is aware of general vehicle-shortage problems experienced by other groups with which he is associated. He stated that many of these groups, and especially his own, Washington, D. C. church groups, would be interested in using Dawson's service if it is available.

The area director for Young Life of Prince George's County, a nondenominational ministry to high school students testified as to the need for charter coaches for day trips throughout the metropolitan area. (Young Life also has chapters in Montgomery County, Md., and northern Virginia. Area-wide, approximately 2,000 people are involved in the organization.) The Prince George's chapter has chartered Dawson's buses and found the service to be satisfactory. The director estimated that his own chapter would use Dawson's service perhaps three or four times a year (with a general need by all the chapters for 10 to 15 trips annually).

The industry consultant, who was hired by Dawson's to testify, stated that he found its maintenance and service facilities, and its safety program "very adequate." He asserted that there is a shortage of motor coach equipment in the metropolitan area, and that availability of equipment between 9:00 a.m. and 4:00 p.m. would match up well with the period when equipment is usually in demand. The acquisition of The Gray Line, Inc., by Atwood's, noted above, reduced the number of buses available in the Metropolitan District according to the witness. Additionally, he testified that locally-based equipment is often used on more lucrative trips extending beyond the Metropolitan District rather than being held for local charter work.

Dawson's existing charter rates consist of a minimum five-hour charge of \$65 which includes a one-hour deadhead charge from Dawson's garage to the starting point of the trip and return. Each additional hour is charged at the rate of \$10 per hour. The proposed rate structure in Case No. AP-78-52 includes a four-hour minimum live-operation charge of \$75 in addition to a one-hour minimum deadhead charge of \$15. All live operations over four hours and deadhead operations over one hour will be charged at \$15 per hour.

Similarly, in Case No. AP-79-3 Dawson's proposes to increase its charter rates for service already authorized (as described above) to equate with the proposed rate structure in Case No. AP-78-52.

Evidence of financial viability in Case No. AP-78-52 including an opinion by Dawson's accountant that the company is financially fit, indicates an accumulated deficit in excess of \$15,000 as of September 30, 1978, with an operating loss for the fiscal year ending September 30, 1978, of approximately \$4,000, and an overall net loss of about \$13,000. A "giving-effect" statement taking into consideration charter authority embracing the application in Case No. AP-78-52 (subsequently restricted to

considerable extent) estimates an operating profit of \$13,000 and a net profit of almost \$4,000, all figures excluding tax consequences.

With regard to the charter authority application (Case No. AP-78-52), the Compact, Title II, Article XII, Section 4(b) provides that a certificate of public convenience and necessity shall be issued by the Commission if it finds ". . . that the applicant is fit, willing and able to perform such transportation properly and to conform to the provisions of the Act and the rules, regulations, and requirements of the Commission thereunder, and that such transportation is or will be required by the public convenience and necessity; otherwise, such application shall be denied."

The Commission finds that applicant has sustained its statutory burden of proof. The evidence of record indicates a need for Dawson's charter service throughout a larger area than the applicant is now serving. Testimony regarding the shortage of equipment for local transportation, especially during the warm-weather months, and the availability of applicant's equipment during a peak service time indicate that a grant of authority would ameliorate the public demand for charter transportation and enhance the economic position of Dawson's. Dawson's commuter buses would be in Washington, D. C., early enough to be useful for daytime charter work, and would be released in sufficient time to provide regular-route service in the evening rush hour. Additionally, applicant has other equipment which is often idle but would now be available for charter work over a much larger area than that for which Dawson's is currently certificated.

A revised certificate shall be issued authorizing Dawson's to perform charter operations from points in Montgomery and Prince George's Counties, Md., Washington, D. C., and Dulles International Airport, Cantilly, Va., to points in the Metropolitan District and return, restricted against transportation solely within the Commonwealth of Virginia.

The Commission further finds that the rate structure proposed by Dawson's in both cases is just and reasonable and complies with the requirements and guidelines of Title II, Article XII, Section 6 of the Compact. The tariff proposed in Case No. AP-78-52 duplicates, in part, that proposed in Case No. AP-79-3, and the application in Case No. AP-78-52 is partially duplicative of Dawson's existing charter rights. Accordingly, the duplicative portions of Case No. AP-78-52 are hereby dismissed. Inasmuch as the evidence submitted in that case amply supports the fares proposed in Case No. AP-79-3, and because the processing of a redundant application would involve significant costs for both Dawson's and the public, with no concomitant public benefit, the Commission has determined both cases on a single record. For the sake of consistency, however, Dawson's shall be required to file only one tariff to cover the rates approved in both cases.

THEREFORE, IT IS ORDERED:

1. That the application, as amended, of Dawson's Charter Service, Inc., in Case No. AP-78-52 to transport passengers, together with mail, express, and baggage in the same vehicle with passengers, in charter operations from points in Montgomery and Prince George's Counties, Md., and Washington, D. C., and Dulles International Airport, Chantilly, Va., to points in the Metropolitan District and return, except to the extent dismissed above, is hereby granted, restricted against transportation solely within the Commonwealth of Virginia.

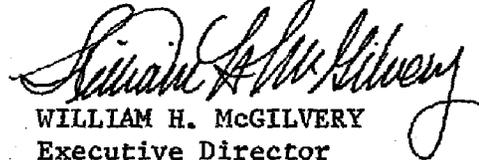
2. That the application of Dawson's Charter Service, Inc., in Case No. AP-79-3, to increase charter rates, is hereby granted upon compliance with the provisions of the next succeeding paragraph.

3. That Dawson's Charter Service, Inc., is hereby directed to file two copies of an appropriate WMATC tariff in accordance with the authority granted herein, within 30 days from the date of service hereof, such tariff to be effective upon acceptance by the Executive Director.

4. That upon timely compliance with the requirement of paragraph 3, an appropriately revised Certificate of Public Convenience and Necessity No. 9 shall be reissued to Dawson's Charter Service, Inc.

5. That in the event Dawson's Charter Service, Inc., fails to comply with the directive set forth above within the said 30 days, or such further time as may be authorized by the Commission, the grant of authority made herein shall be considered as null and void and the application shall stand denied in its entirety effective upon the expiration of the said compliance time.

BY DIRECTION OF THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director